GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:953
ANSWERED ON:27.07.2001
GROSS DOMESTIC PRODUCT
CHANDRA NATH SINGH;M.V.V.S MURTHI;SADASHIVRAO DADOBA MANDLIK;SAHIB SINGH VERMA;SHIVAJI MANE;SULTAN SALAHUDDIN OWAISI

Will the Minister of FINANCE be pleased to state:

(a) the Gross Domestic Product (GDP) growth rate projected by the Government for the year 2001-02;

(b) the achievement made in regard to above during the first half of the current year i.e. up to June 30, 2001;

(c) the reasons, if any, for slowing down in the growth rate; and

(d) the measures the Government have taken so far or propose to take during the second half of the year to achieve the targeted rate of growth in the economy?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a), (b) ,(c) & (d) The target growth rate of gross domestic product for the Ninth Plan (1997-2002) is 6.5 per cent per annum. As per the latest available Quarterly Estimates of Gross Domestic Product (GDP) released by the Central Statistical Organisation, the growth in GDP at factor cost at constant prices (1993-94) for the quarter, January- March, 2001 is estimated at 3.8 per cent compared with a growth of 6 per cent for the same quarter of 2000. This slowdown in the overall GDP growth in the quarter January-March 2001 is attributed to a deceleration in the GDP growth originating in mining and quarrying, manufacturing, electricity, gas and water supply, construction, trade, hotels, transport and communications in particular. The estimates of GDP for the quarter April-June, 2001 would be available by end September, 2001. The trends in the economy are closely monitored and under constant review and appropriate decisions taken in the light of the emerging trends. The measures to promote and achieve higher growth inter alia includes speeding up of agricultural reforms; intensification of infrastructure investment, continued reform in the financial sector and capital markets, and deepening of structural reforms; human development through better educational opportunities and programmes of social security; improvement in the quality of government expenditure; acceleration of privatisation process and restructuring of public enterprises etc. Policy initiatives announced in the Budget are expected to have a favourable impact on growth during the current year.